

E1-6986



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03/21/2008 01:41 PM

To "David Navecky" <naveckyd@stb.dot.gov>

cc

bcc

Subject STB Finance Docket No.35095

Dear Mr Navecky,

Attached to this e-mail are comments and concerns that my wife Shari and I have concerning the subject. We are the old retired nesting geezers that you and your staff patiently listened to in Knik and Big Lake. We have been in Alaska for 36 years and have some interesting insights. We live in the Horseshoe Lake Community and are very familiar with the surrounding terrain there as well as the region between our home and the Big Susitna River.

Please let us know if you are not able to open the attached documents.



Doug and Shari Smole RR for Pipeline mat..doc RR Paper 3 20 08.rtf

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March 20, 2008

David Navecky
STB Finance Docket No. 35095
Surface Transportation Board
395 E Street, SW
Washington DC 205423

PORT MAC RAIL EXTENSION PROJECT
COMMENTS AND CONCERNS

The Mat-Su Borough Assembly resolution of 12/11/07 Serial No.07-139 states that the Assembly "**had limited time to review the preliminary public and agency comments and results of the preliminary engineering and environmental studies**" before passing the resolution that would be forwarded to The Surface Transportation Board (STB) along with the application for a license and related EIS studies. The process seems to have been expedited because the Alaska Legislature passed HB 229 which provides for a plan and a time limit for bonding authorization (by the year 2012). The plan was for ARRC to bond \$2.9 billion for the subject RR spur to Port Mackenzie, RR improvements and construction of a coal to gas- gasification plant by Agrium a fertilizer/chemical producing company by (the year 2015) The construction of the coal gasification plant has now been cancelled or at least put on hold.

The need for improved infrastructure to allow for the prudent use of Alaska's vast natural resources is important and necessary for Alaska and the nation. Equally important is the necessity for Alaskans and visitors to safely gain access to lands for recreation and development. Less than 1% of the 572,000 square miles of land in Alaska is in private ownership. Prudence and logic thus dictate that construction of projects, such as the RR spur, should avoid adverse impact on the paucity of privately held land.

The MSB and ARRC are focused on accelerating the process. There is the stated intent to accomplish "all the field work in one field season to adhere to the strict time frame." Major Seismic factors, delicate ecosystems ,complex water-sheds, unique hydrological systems, wildlife habitat , recreational areas, drinking water sources, and homes of citizens must not be evaluated in a cursory manner to meet time lines set by project sponsors, politicians and corporate interests.

We are optimistic that a non-hurried pace for conducting the STB EIS studies will now occur without time restrictions based on one possible method of funding (bonding authority in HB 229) RR project. To again quote the MSB Assembly resolution: **“that the MSB believes the results of the preliminary reports and agency comments are incomplete and should be studied and reviewed during the STB process to a fuller extent;”**

The application to the STB now includes heretofore unstudied rail road route segments, specifically **Houston North** and a **portion of the new Big Lake corridor**, that were not part of earlier studies in 1992 and 2003. These additional segments were **not subjected to the same level of public scrutiny**, and were not fully evaluated in the reconnaissance study processes undertaken in 1992 and 2003.

The Criteria Matrix

A major concern is the Port Mac Rail Extension Criteria Matrix. The Port Mackenzie Rail Extension Criteria Matrix is a skewed reflection of selected criteria that presents obvious bias toward a single route. It raises suspicion that the greater scheme was to sponsor one route over others in the interest of expediency. i.e. 2012 target date. No attempt was made to include socio-economic factors. Further, criteria that were not selected for use in the Matrix were those with most impact on the quality of human life e.g.: noise, safety, trails and public comment. We have reviewed extensively the Mat-Su Borough (MSB) application documents provided to the Surface Transportation Board (STB) for the Port Mackenzie rail extension. Examples, below, demonstrate the incompleteness and misleading aspects of the criteria matrix.

- **Relative to road crossings— The matrix presented to the STB did not include the numerical safety indices.** (See Shannon and Wilson report, Tryck, Nyman and Hayes (TNH)) Numerical values comparing the various routes clearly show the Willow route to be the safest and the Houston routes less safe.
- **The 2007 geotechnical soil probing studies were “minimal and incomplete.”** (see Shannon Wilson Geo technical report to TNH 2007) Actual testing was apparently not conducted on a large portion of the Houston South route.
- Creators of the matrix stated that the routes were not ranked. Obviously a +6 is better than a +2 and does in fact represent a ranking.
- See notes Appendix H. -- **Geotechnical Environmental Consultant Shannon and Wilson** commentary re: **lands not entered upon during soils testing “due to possible delays in the field work.”** We also note that **corresponding field notes were not provided in the report for large portions of Houston North and South corridors** presumably

because these were Native and Mental Health Lands. Additionally, **"In some cases significant peat bogs were not able to be visited due to lack of access permission"**.

- Potential for **Archeological sites were not definitively eliminated from several routes**. The matrix implies that routes other than the Willow route have a lower probability of impacting Archeological historical sites. An example to the contrary is exhibited with reference to Houston North by the Lake Creek flowing from Nancy Lake as a low meandering stream with some high ground and bluffs and thence flowing into the Little Susitna River. Potentially good sites for Native hunting and fishing. Many areas have promontories overlooking swamps, ponds and streams." **Ground research by professional Archeologists has been recommended**" before conclusions are made. See Volume I, 4.3.3 **"project area has not been thoroughly surveyed and it is likely that numerous additional sites---exist that may have not been identified"** There are also indications of year round settlements of Alaska Natives in the Big Lake Area. See. Big Lake Alaska -Beginnings by Laurae Fortner-Welch page 9
- Wetlands data is incomplete." NRCS soils data is better than NWI data depicting wetlands."--- Discussion by a representative from the Army Corps of Engineers during minutes of meetings indicate the need for better wetland mapping and mentions the potential for granting mitigation credit, for the disturbance of wetlands, in exchange for the gathering of better data in regard to wetlands.
- The inclusion of number parcels of land impacted is misleading. Inclusion of Criteria considering the impact on residences within 500 feet of the RR ignores the fact that there is an impact beyond that distance. As an example: Numerous new homes and lifestyle of the inhabitants will be adversely impacted by the Houston South route in the Horseshoe lake area. Only about 1% of the land in this enormous state is privately owned. With so much public land available why would the planners even consider routing a high speed Railroad Spur any where near that limited private property when there are options to avoid impacts on private property
- Creators of the Matrix had many letters, e-mails, notes written on maps and transcribed public comments. The full speed ahead time frame may have precluded inclusion of a tabulation of these public comments into the matrix. The un-tabulated mass of Public Involvement documents in raw form were forwarded to STB.
- In the 2003 study the RR corridor referred to as #4 , now **Houston South, was rejected** because" **it appeared to have the largest level of impact on wetlands " and did not receive public support"** Further the same study

indicated that the Willow route was the best route and was strongly supported by the Strategic planner for the ARRC Mr. Bruce Carr. **See Appendix. M 2003 study.** The MSB LRTP (**Long Range Transportation Plan favored the Willow route.** See Volume I, 4.1 and MSB Assembly Ordinance 05-011(AM).

- **A unique hydrological system exists in the area of the Houston routes.** The area includes the East to West flow of the Little Susitna River and includes mostly low lying bogs, ponds, collector streams and seepage which flow into to larger lakes which then have flowing effluent streams which contain anadromous and other fish species. These larger lakes Horseshoe to Muleshoe, then discharge water to more low lying bogs and ultimately the stream flow returns water to the Little Susitna River. This system is in balance and trans-section of this subunit of the Little Susitna water-shed would occur in several areas of the proposed Houston South Corridor. **A question that needs extensive study is whether or not this area represents a relief valve in times of high water with the Little Susitna River overflowing its banks? In addition the orientation of the Lakes and natural water-flow is generally NE to SW. A derailment could contaminate dozens of lakes and ponds as well as human water sources. This is of particular concern in view of the major Earthquake fault paralleling the Houston South corridor.**
- **Also what impact would a derailment of Haz Mats have on the watersheds -- the Big Lake watershed and the subunit of the Little Susitna watershed described above?**
- **A related question concerns the effects on anadromous fish that may spawn and grow in even the smaller feeder streams flowing from the low lying bogs into both watersheds.**
- **The Big Lake watershed and Beaver lakes could similarly be adversely impacted by the Houston South corridor.**
- **See volume I 3.2 which contains the statement: "following the 2007 constraints analysis the alternatives considered in 2003 were re-evaluated-----conditions had not changed to make one or more of the alternative routes previously eliminated, more preferable". The Houston South route was one of those previously eliminated in the 2003 study.**
- **In 2005 Mat-Su Borough Ordinance 05-011 was amended and adopted by the Assembly and also The Planning Commission with reference to corridor 3 which is the present Willow corridor.**

Meeting Notes in Appendix C Volume II--- various **State and Federal agencies discuss the need for more study and gathering of data.**

A study was commissioned by MSB September 19, 2006 in which the stated Scope of Work said **"complete an independent analysis of the benefits of extending the Alaska Railroad from Willow to Port MacKenzie "**. The Final Report of this study was completed in February 2007. There are indications that the volume of rail traffic potential could be far in excess of 2 trains per day and that materials, fuels etc might be shipped on this spur. A much greater adverse impact on human quality of life and environmental risk with hazardous materials could be the result. **Has this study and its findings been submitted to the STB? The study focuses on the Willow corridor.**

The Greater Big Lake Community has been on record in 1992, 2003 and 2007 in opposition to various proposed railroad routings that would seriously impact the essential features that enhance this major recreational area. The area is also growing in population with a greater number of full time residents constructing quality homes. Many homes are constructed with plans for them to be future retirement homes. The Little Horseshoe Lake and NW corner of Horseshoe Lake area has more than 20 new homes constructed since the Big Lake Fire in 1996. This is the area closest to the Houston routes.

The notes referenced above also reflect what may be the first, in recent times, inclusion of representatives of members of the Knik Arm Bridge and Toll Authority (KABATA) in the project discussion meetings. There are notations of an intent to interact and discuss impacts of respective projects of the ARRC and KABATA. It is imperative that these projects be coordinated for the best long term outcome.

A FACT BOOK produced by the MSB Planning Department in 2003 describes on page 27 paragraph 2 --the "formation of a **Regional Transportation Planning Organization (RTPO)**" consisting of MSB, Anchorage Municipality, Legislative Committees, U.S. Military, and the ARRC. **We are concerned that the concept of coordination of the long range planning process implied by the formation of this RTPO has not have occurred.** Coordination of transportation activities has not been ongoing. There may in fact be an attitude of competition between the Ports of Anchorage and Port MacKenzie that is counter-productive. A recent news article in The Mat Su section 3/19/2008 of the Anchorage Daily News ,Rail Route is the Key for using MacKenzie, indicated such. (See attachment).

Oil wealth has provided many benefits to the Government and people of Alaska. Concomitantly and regrettably the recent oil wealth period of Alaska history is also rife with ill-conceived failed projects. Projects have been undertaken where-in much money has been spent to generate short term activity yet many large projects have resulted in waste and ultimate failure.

We are concerned and strongly desire that the numerous infra structure projects underway become coordinated successful projects. We believe that the better long range plan is to coordinate highway, rail and port planning with an eye toward the future. The Willow route allows space for multi-use transportation corridors has the most favorable soils, less potential for harming wetlands and lakes, less disruption of ecosystems/ wildlife and would have much less adverse impact on human quality of life.

Rail route is the key for using MacKenzie

PIPELINE: Using port as shipment center would save money.

By RINDI WHITE
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WASILLA — A contractor hired by the Matanuska-Susitna Borough says moving building material for the Alaska Natural Gas Pipeline through borough-owned Port MacKenzie will save from \$122 million to \$176 million compared with other Alaska ports.

Analysts with Northern Economics say the state saves by shipping pipeline materials through Port MacKenzie rather than from Seward by rail or from Valdez by truck — provided, of course, that a rail link is built linking Port MacKenzie to the main line of the Alaska Railroad in time to accommodate pipeline construction. Building a rail line is estimated to cost as much as \$300 million.

The borough hopes to have the track laid by 2012.

Missing from the analysis is the cost of shipping pipeline materials through the Port of Anchorage. Borough staff said Anchorage wasn't considered because it wasn't likely to be used to move the bulky pipeline pieces.

"When you're talking about heavy-duty stuff like the pipe and the big bridge parts, there's just not room there to do it," said borough economic developer Dave Hanson.

But Anchorage port director Bill Sheffield said Tuesday that Anchorage intends to be the shipping point for pipeline construction materials.

The port is adding 135 acres to its facility, 60 acres of which would be ideal for offloading pipeline materials, he said.

"It's funny they would say that," Sheffield said. "We have all the amenities here for the pipe and module construction, all the things that a gas line is going to have to have before a gas line is going to be built."

He said oil industry executives and TransCanada, the only gas line applicant currently being considered by the state, have already toured the Anchorage port to look at potential spots to offload pipe.

Large oil-field modules

See Page G-7, MACKENZIE

MACKENZIE: Rail link the key to port's future

Continued from G-1

could be built at the Anchorage port after an ongoing port expansion project wraps up, Sheffield said.

"We didn't have the ground to do it before, but now we do," he said.

STUDY IS ONE OF SIX

The Mat-Su Borough commissioned the Northern Economics study in January. It analyzes the potential savings of using the borough port as a shipping point for pipeline materials.

It's part of an effort by the borough to bolster its bid for a 30- to 45-mile rail extension linking the port to the existing Alaska Railroad.

The Northern Economics study is one of six the borough has commissioned, analyzing various aspects of the rail line project.

A route for the rail line has not been chosen.

A contractor is preparing an environmental impact study for the federal Surface Transportation Board. The

board, responsible for choosing where new rail projects are built, is expected to consider the Port MacKenzie rail project in 2009.

Hanson said the borough is preparing next to study various financing methods for the rail link.

CHANCE TO DIVERSIFY

Another study completed March 10 by the University of Alaska Anchorage's Institute for Social and Economic Research might make financing easier to find, he said. The study shows that adding a rail link to Port MacKenzie would likely more than double the return on investment over 50 years.

"We're really thrilled. We're really excited about this. It will just do great things for an economy during a time when we need to further diversify," Hanson said.

Find Daily News reporter Rindi White online at www.adn.com/contact/rwhite or call 352-6709.